Investor presentation

Q2 2023

JYSKE BANK

15 August 2023

Summary

Q2 2023

JYSKE BANK

Upgrading the outlook for a record-setting 2023

Third upgrade of outlook for 2023

DKK 70-80

Earnings per share in 2023E

Increase of 26-44% vs. all-time high 2022 level

Acquisition of PFA Bank

Supporting wealth mgmt. strategy

PFA Bank acquisition

Announced on 13 June 2023

Strong income momentum

+78% y/y

Net interest income

SHB DK acquisition and higher interest rates

Improving cost/income ratio

-12pp y/y

Cost/income ratio

Entering sub-50% territory

Solid credit quality

0bp

Actual write-offs

Cost of risk also at 0bp in Q2 2023

Capital position rebuilt

16.1%

CET1 ratio

S&P issuer rating upgraded to A+

Note: Post-model adjustments (excl. repo) exclude post-model adjustments in the balance of discounts for acquired assets.

PFA Bank acquisition supports wealth management strategy

PFA Bank at a glance

No-lending bank
established in 2014

c. 10,000 personal/private
banking customers, 43 FTEs

c. DKK 15.5bn AuM,
c. DKK 1bn deposits

Strategic rationale

Attractive customer base
Adding volumes within asset management
and wealth management advice

Cross-selling potential
Jyske Bank has a strong full-service offering
that underpins cross-selling potential

Supports wealth management strategy
Jyske Bank has had the most satisfied
private banking clients for 8 years

Financials

Negligible capital consumption
Total consideration of DKK 245m,
<0.1pp net CET1 ratio impact

Expected closing in Q3 2023
Conditional on approval
by authorities

High return on allocated capital
Full financial impact from 2025,
integration costs of c. DKK 50m in 2024

Note: Most satisfied private banking clients in Denmark according to Voxmeter.

Integration progressing according to plan

Transition to be finalised in 2023

June 2022	Public announcement
H2 2022	Tier 2/NPS issuances
1 Dec. 2022	Deal closing
Feb. 2023	Merging of organizations
Oct. 2023	Branch merging finalised
Nov. 2023	IT migration completed

Overview of financial impact

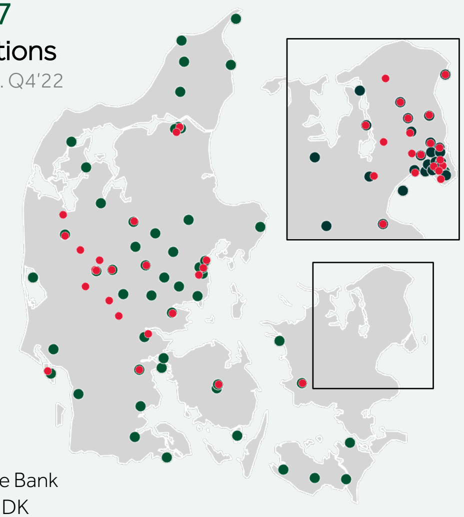
c. DKK 1bn p.a.
Normalised pre-tax profit by 2025E
Run-rate of c. DKK 0.6bn prior to transaction.

c. DKK 0.4bn p.a.
Targeted cost synergies
Leveraging common platform and scale benefits to replace group services and reduce headcount.

c. DKK 0.5bn
Total integration costs
Transaction costs, transitional service agreements, branch merging, IT migration, etc.

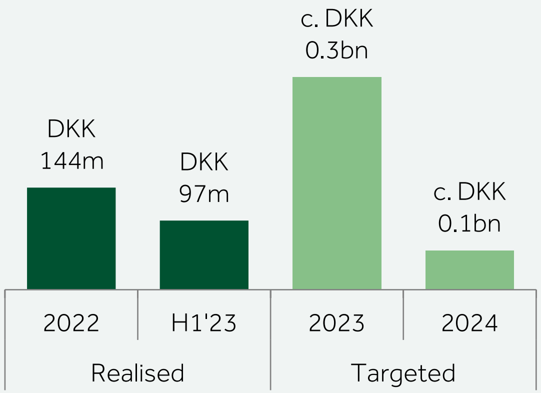
Branch number to be reduced by c. 25%

97
Locations
-20% vs. Q4'22

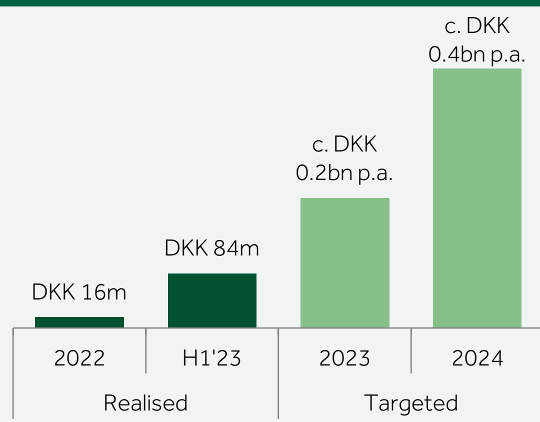


- Jyske Bank
- SHB DK

DKK 241m of integration costs realised



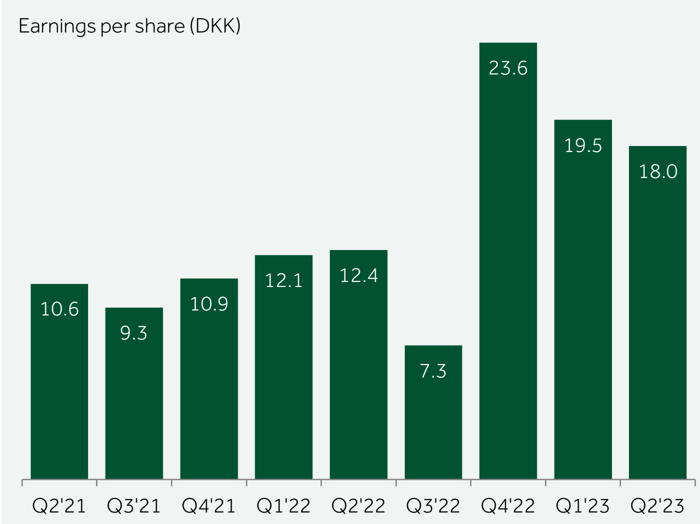
DKK 84m of cost synergies in H1 2023

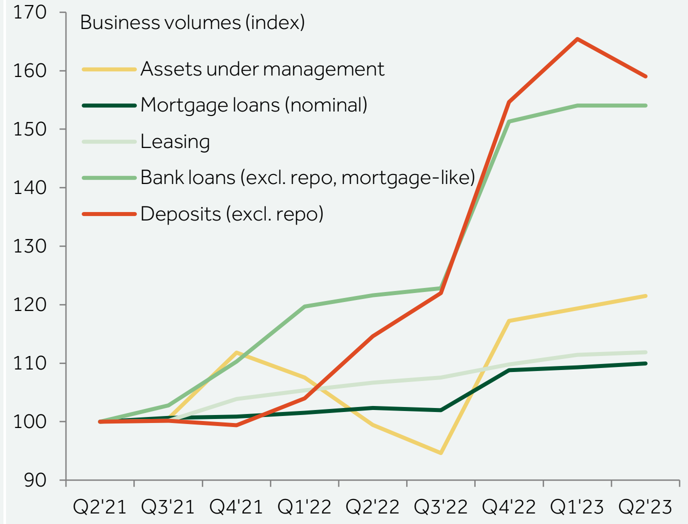


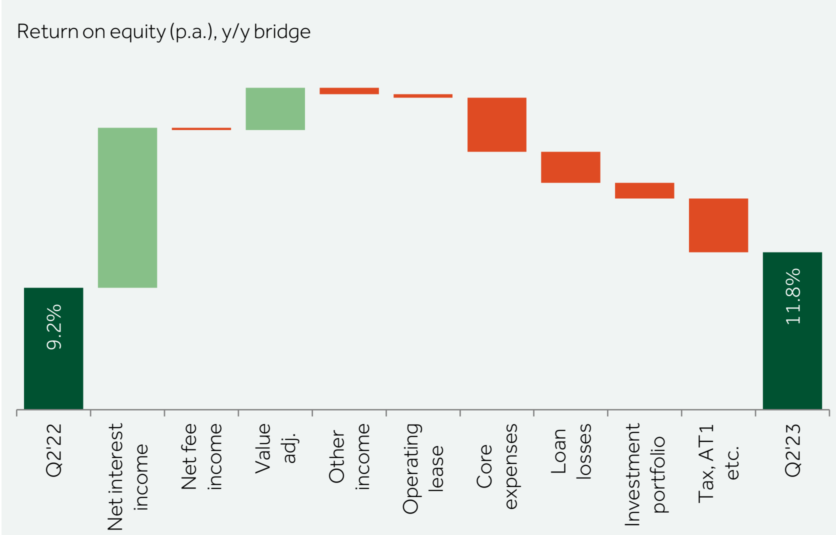
Continued strong financial performance in Q2 2023

+45% y/y
Earnings per share

Q2 2023 in brief





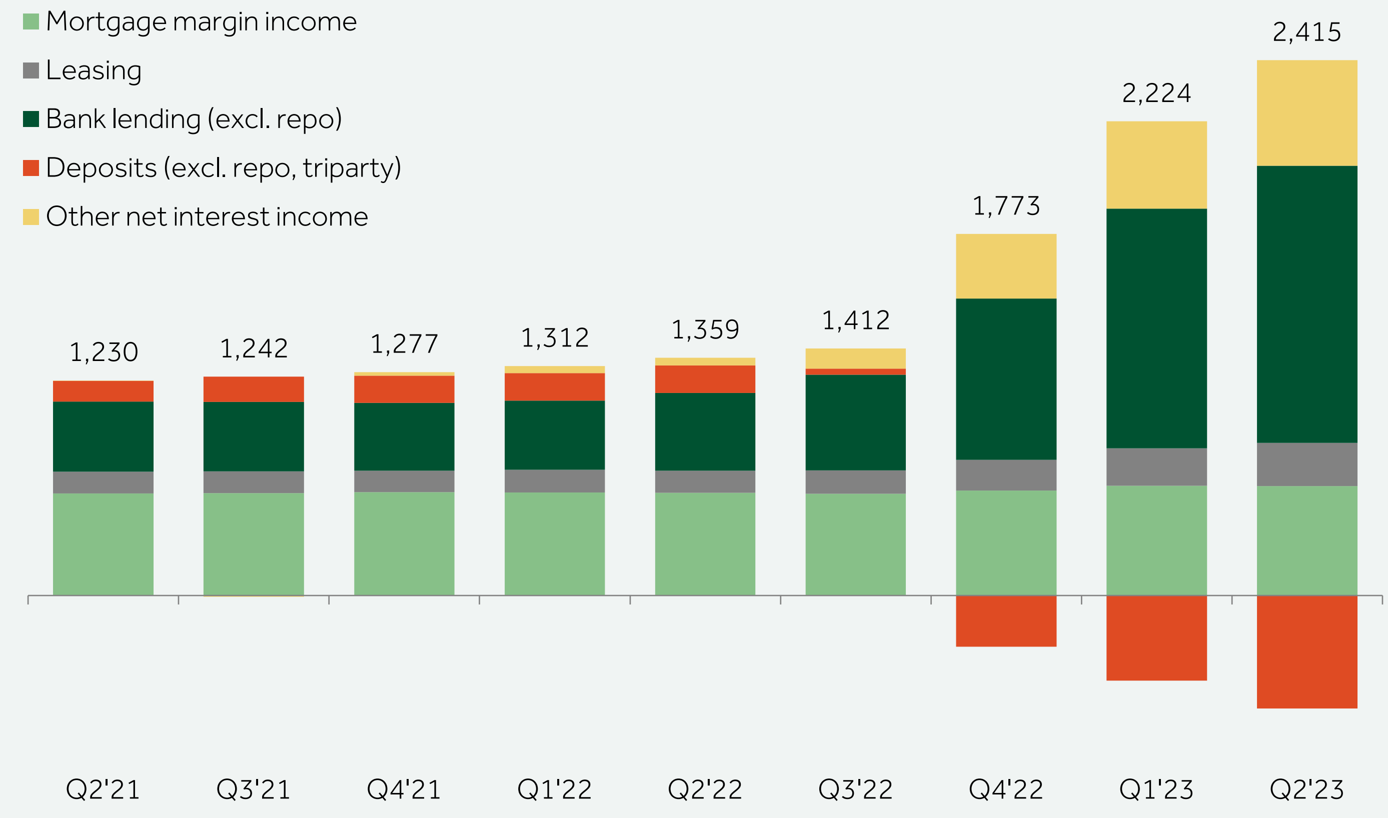


DKKm	Q2'23	Q2'22	Index
Net interest income	2,415	1,359	178
Net fees and commissions	553	567	98
Value adjustments	186	-93	-
Other income	26	70	37
Income from operating lease	83	105	79
Core income	**3,263**	**2,008**	**163**
Core expenses	1,553	1,195	130
Core profit before loan losses	**1,710**	**813**	**210**
Loan impairment charges	13	-192	-
Core profit	**1,697**	**1,005**	**169**
Investment portfolio	-89	13	-
Pre-tax profit	**1,608**	**1,018**	**158**
Tax	409	178	230
Net profit	**1,199**	**840**	**143**

Note: Core expenses include one-off expenses related to the acquisition of Handelsbanken Danmark.

Net interest income up 78% y/y from higher rates and SHB DK

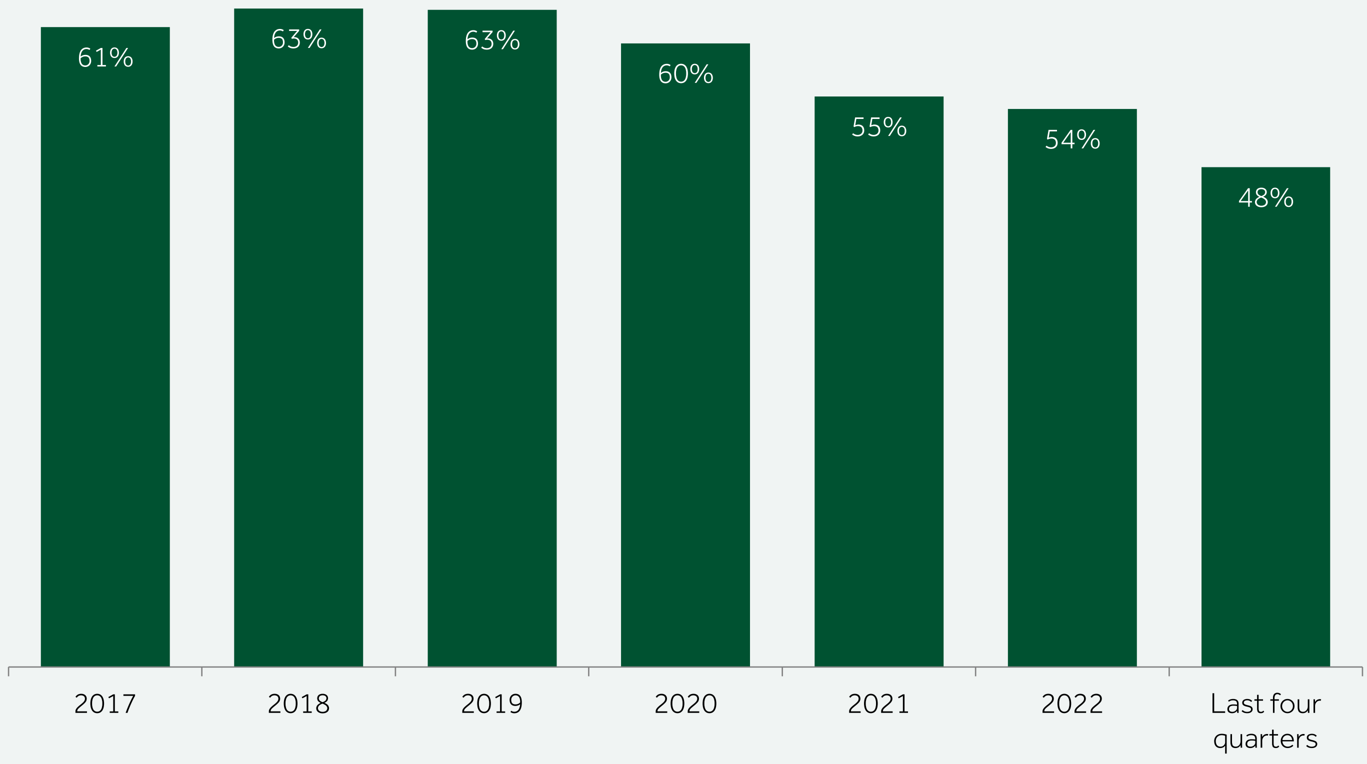
Net interest income decomposed (DKKm)



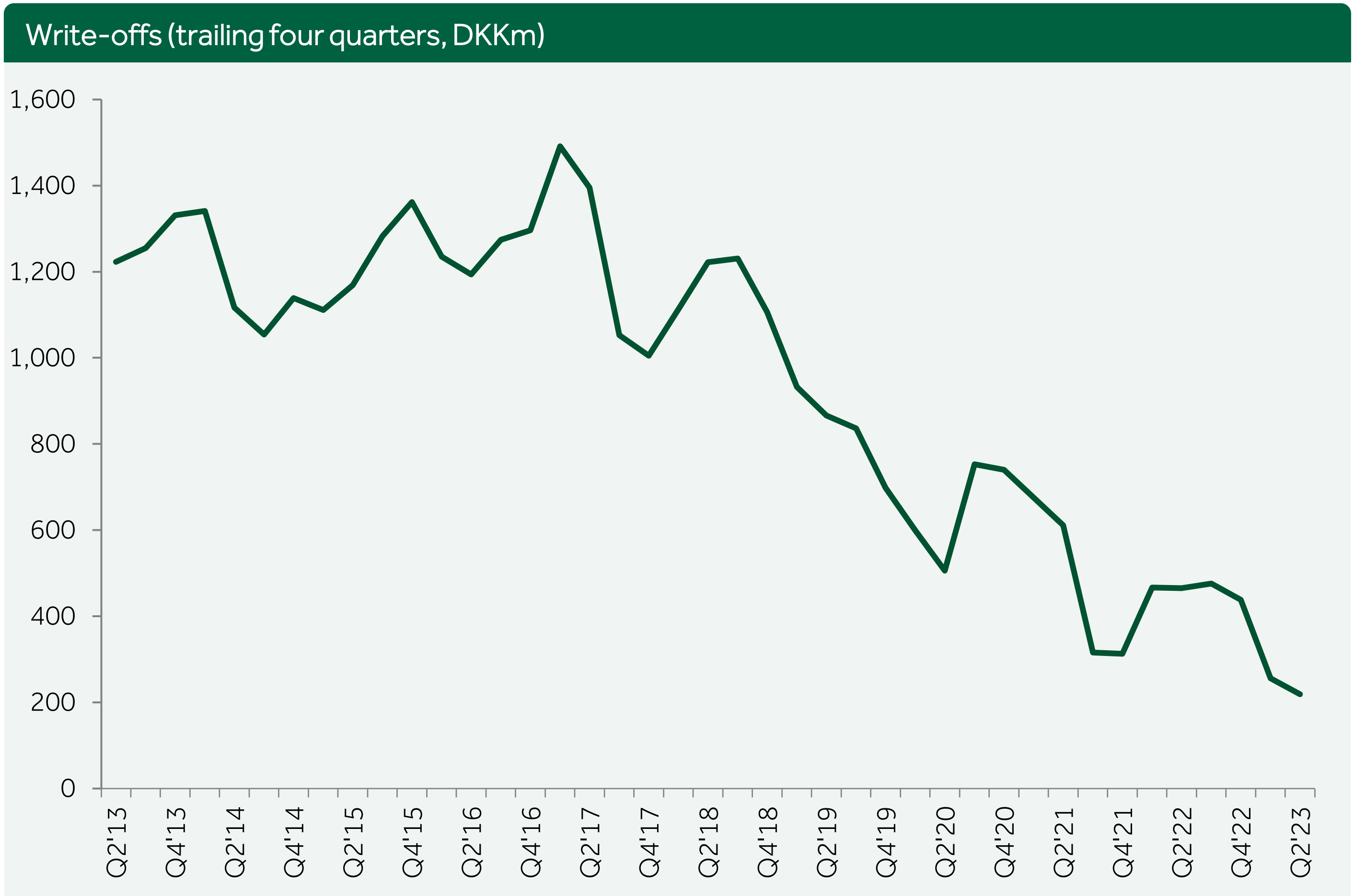
Note: Handelsbanken Denmark (SHB DK) contributed from 1 Dec. 2022. Customer rates, not margins. Mortgage/administration margin income unaffected by level of interest rates. Other net interest income includes bonds, derivatives, liquidity with central banks, wholesale funding, etc.

Improving cost/income ratio has reached sub-50% territory

Cost/income ratio (excl. one-off items)



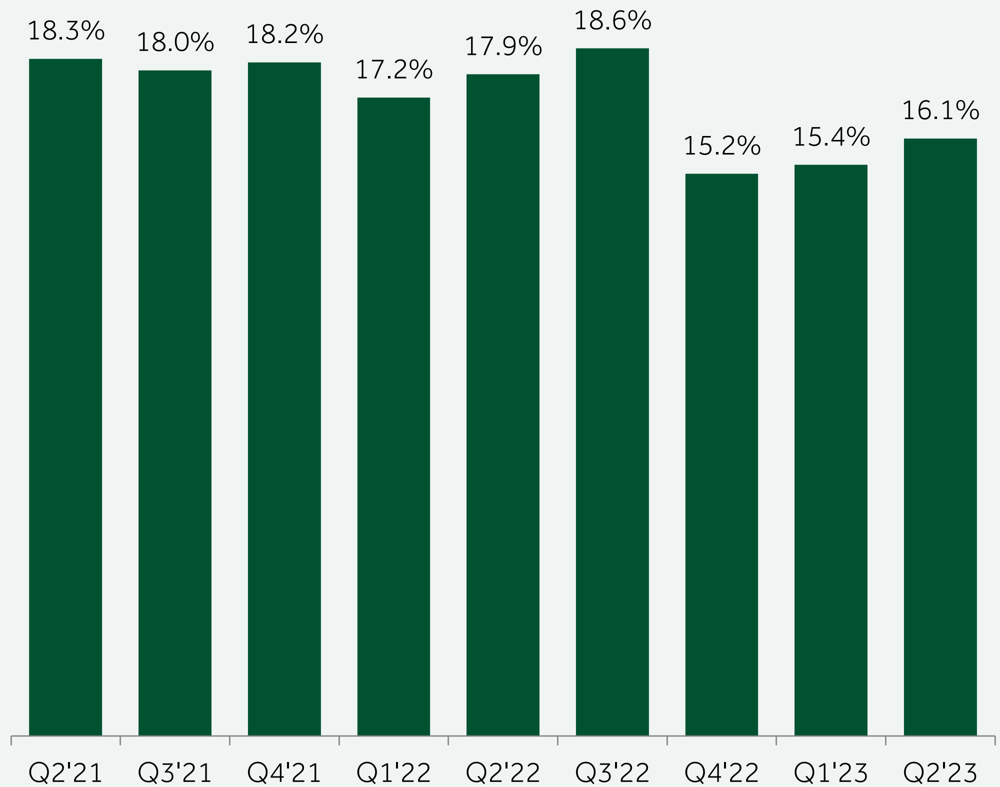
Solid credit quality with lowest level of write-offs in a decade



Note: Wirite-offs of DKK 20m in Q2 2023 equivalent to 0bp, the lowest level in more than a decade. Lending has nearly quintupled in the same period.

CET1 ratio rebuilt to upper half of target range

Common equity tier 1 ratio (target range: 15%-17%) and upgraded S&P rating



A+

S&P issuer rating

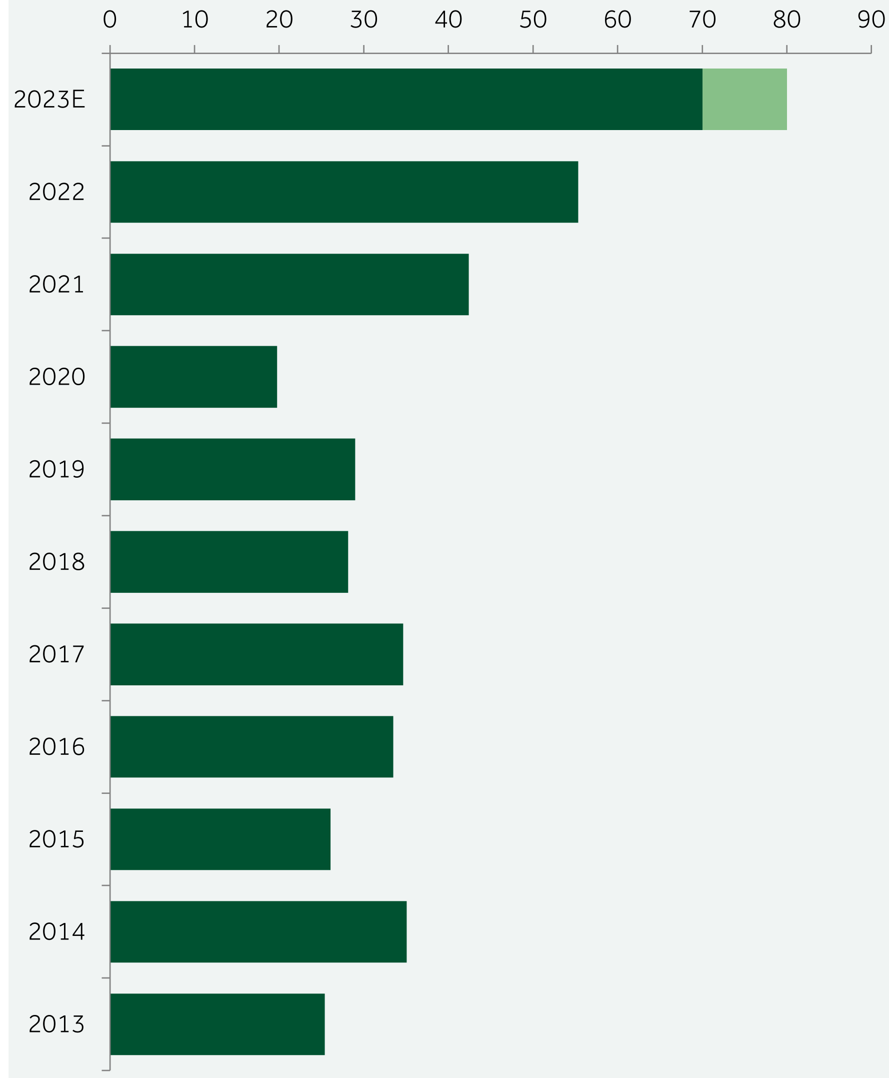
Upgraded from A in July 2023

Note: The acquisition of Handelsbanken Denmark caused a CET1 ratio decrease of approx. 4pp.

Targeting another EPS record for 2023

Core income	**Significantly higher in 2023 than in 2022** Mainly due to Handelsbanken Denmark acquisition and a higher level of interest rates
Core expenses	**Significantly higher in 2023 than in 2022** Mainly due to Handelsbanken Denmark acquisition and one-off costs of c. DKK 0.3bn
Loan impairment charges	**An expense in 2023** Post-model adjustment buffer of DKK 1,425m
Net profit	**DKK 4.7bn-5.3bn in 2023** Equivalent to earnings per share of DKK 70-80
CET1 ratio	**15%-17% in the short to medium term** Target includes financing of Basel IV impact

Earnings per share (DKK)



Note: Statutory tax rate to increase from 22.0% in 2022 to 25.2% in 2023 and 26.0% in 2024 due to the phasing-in of a special tax on financial companies in Denmark.

Financials

Q2 2023

Net interest income up 78% y/y

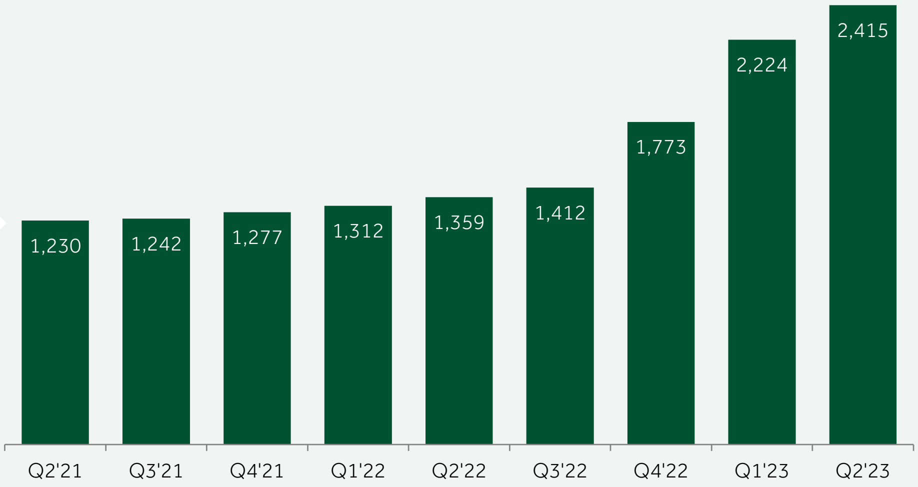
JYSKE BANK

Net interest income (DKKm)

+78% y/y

Net interest income

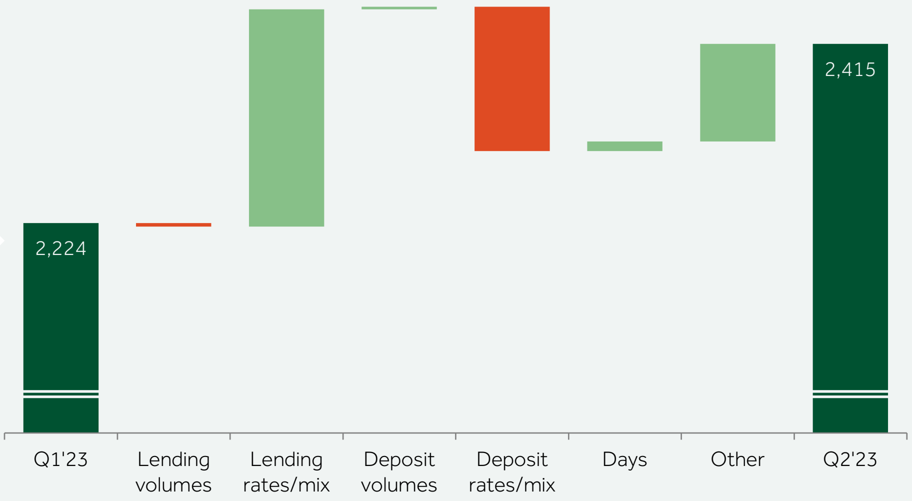
SHB DK and higher interest rates/bank volumes



+9% q/q

Net interest income

Higher lending rates and excess liquidity income



Q2 2023 net interest income (NII) benefitted from a higher level of lending rates and interest income from excess liqiduity.

- **NII from lending supported** by higher interest rates and gradual repricing that reflect rate hikes from the Danish central bank. Lending volumes were unchanged in Q2.
- **NII from deposits declined** due to higher deposit rates as well as slight mix changes driven by private clients migrating to an improved offering of savings products.
- **Other NII increased significantly**, mainly due to a higher level of income from liquidity placed with central banks. This more than offset a lower level of income from FX derivatives.

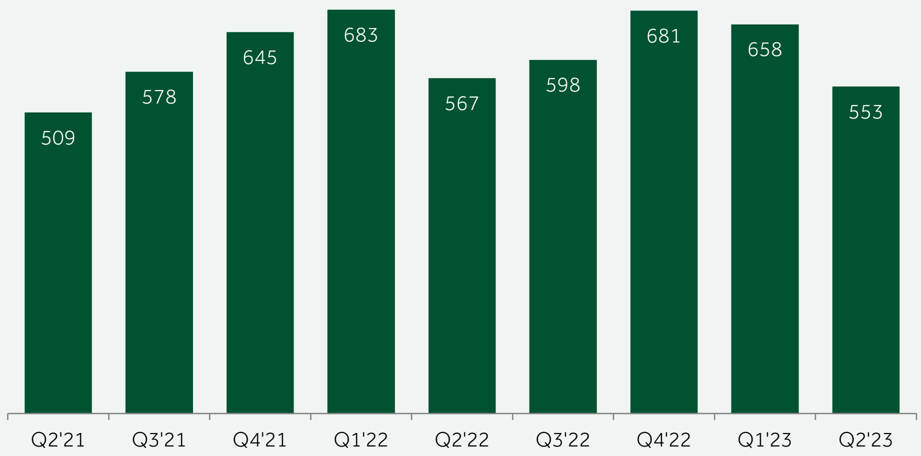
SHB DK acquisition partly offset very low activity levels

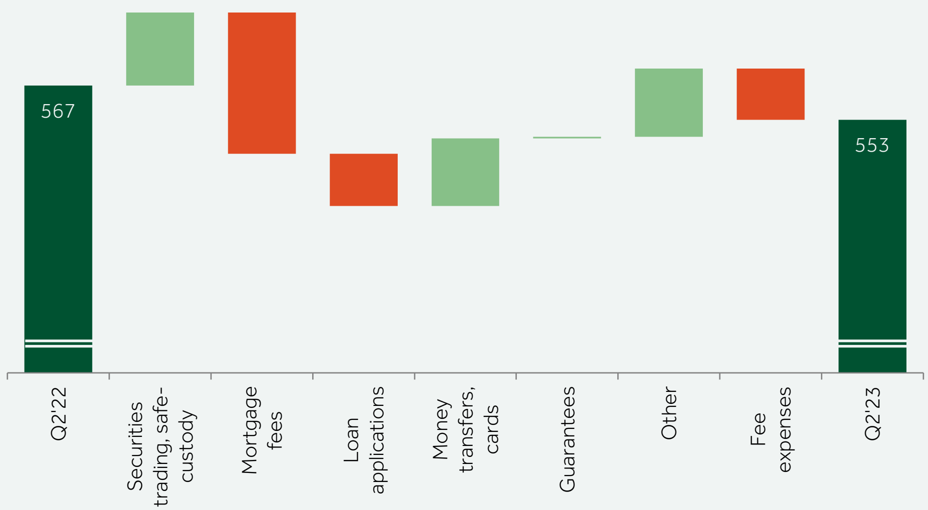
Net fee and commission income (DKKm)

-2% y/y

Net fee income

SHB DK counteracted by very low activity





Net fee and commission income decreased amid very low activity levels. The underlying trend remains positive.

- **Securities trading and safe-custody increased 12% y/y**, as lower trading activity was more than offset by the impact from SHB DK.
- **Money transfers and card payments increased 35% y/y** due to the acquisition of SHB DK.
- **Mortgage fees and loan application decreased significantly**, as activity levels decreased from high levels amid lower lending growth and reduced remortgaging activity.
- **Other fee income up 22% y/y**. The increase was due to the inclusion of SHB DK as well as a customer programme implemented in 2022.
- **Fee expenses increased 18% y/y**, partly due a covered bond issuance at fair value at Jyske Realkredit in addition to the acquisition of SHB DK.

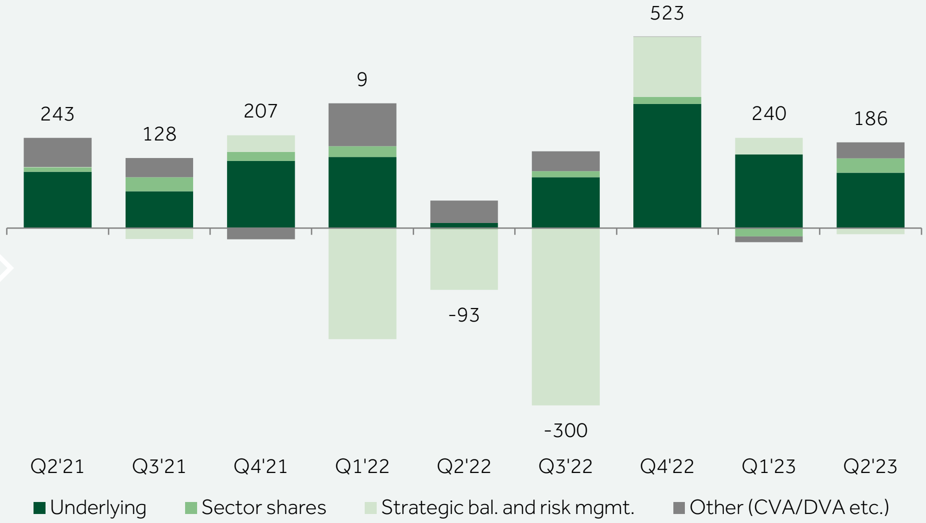
Healthy level of value adjustments amid OAS widening

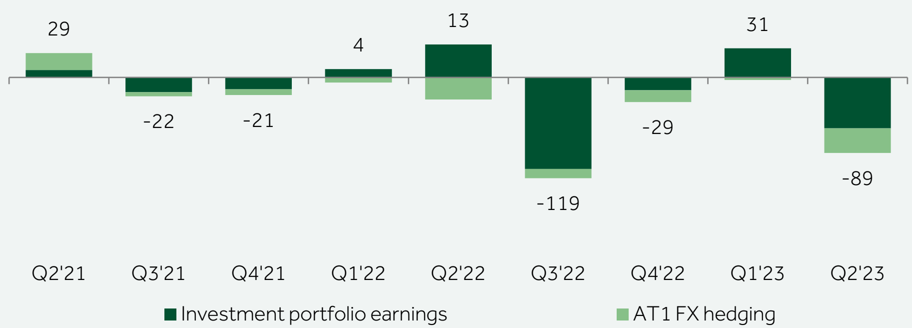
Value adjustments and investment portfolio earnings (DKKm)

DKK +186m

Value adjustments

Partly impacted by OAS widening





DKK -89m

Investment portfolio

Higher internal funding costs and FX hedging

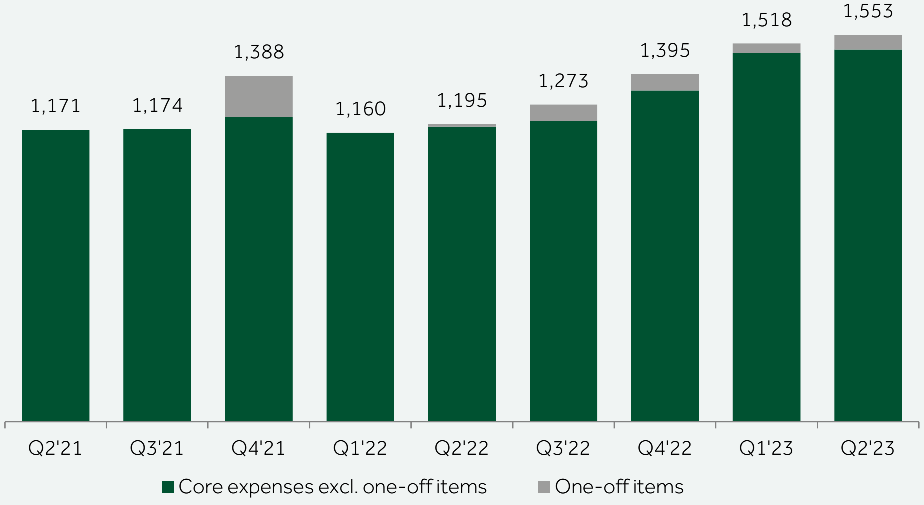
- **Value adjustments of DKK 186m:** Slightly lower value adjustments q/q amid OAS widening partly offset by higher value adjustments from sector shares.
- **Investment portfolio income of DKK -89m:** Higher internal funding costs is not offset by higher income from bonds, etc., in the short term. DKK -29m related to FX hedging of AT1 issuances in SEK (offset by positive adjustments of shareholders' equity).

Note: Impact from AT1 FX hedging is offset by an equivalent adjustment of shareholder's equity. Please also see dividends booked under other income.

Manageable underlying cost inflation following acquisition

JYSKE BANK

Core expenses (DKKm)



+30% y/y

Core expenses

+3% y/y excl. one-offs and SHB DK

Core expenses rose c. 3% y/y adjusted for one-off items and the inclusion of SHB DK. The underlying increase was mainly caused by higher employee costs.

- **Acquisition of SHB DK** in December 2022 has increased the cost base significantly, including DKK 59m of integration costs as well as synergies of DKK 40m in Q2.
- **IT costs** increased significantly, primarily caused by expenses for data vendors related to the acquisition of SHB DK.
- **FTEs up 22% y/y** to 3,923, mainly due to SHB DK as well as an increased number of AML employees. Higher employee costs also caused by collectively prescribed salary increase of 2.0%.
- **Amortization of SHB DK customer relations** amounted to DKK 12m in Q1.

Note: Core expenses include one-off expenses related to the acquisition of Handelsbanken Danmark.

Credit quality remains solid

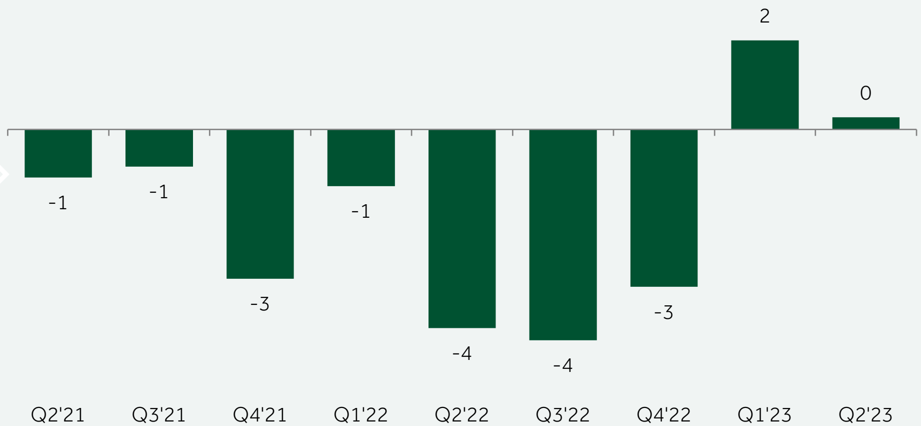
JYSKE BANK

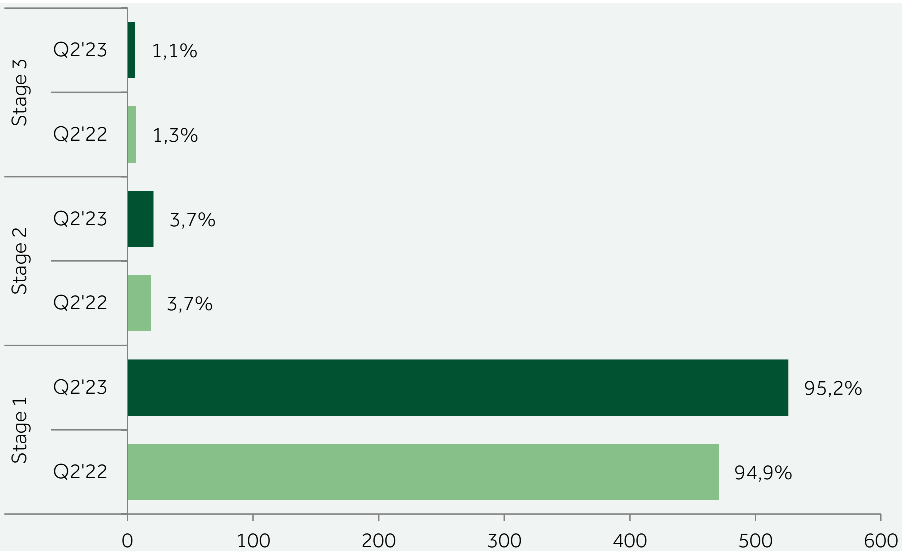
Cost of risk and net exposure by IFRS 9 stages (bp/DKKbn)

DKK 13m (0bp)

Cost of risk

Strong credit quality and significant post-model adj.





1.1%

Stage 3 exposure

-0.2pp y/y

DKK 1,425m

Post-model adjustments

Equivalent to 28bp

Low level of loan impairments charges in Q2 following increased model-based provisioning in Q1. The stage 3 share and the level of write-offs remained at a low levels.

- **Level of post-model adjustments kept unchanged** at DKK 1,425m (28bp). Further significant post-model adjustments included in the balance of discounts for acquired assets relating to **Handelsbanken Denmark**.
- **Continued low level of write-offs** of DKK 20m (0bp) booked in Q2.
- **Level of stage 3 exposures unchanged at 1.1%.** Loans subject to forbearance measures as well as 90-day mortgage arrears also remain at low levels.

Note: Stage exposures exclude purchased/originated credit impaired exposures (<0.1%).

CET1 ratio up 0.7pp and above midpoint of target range

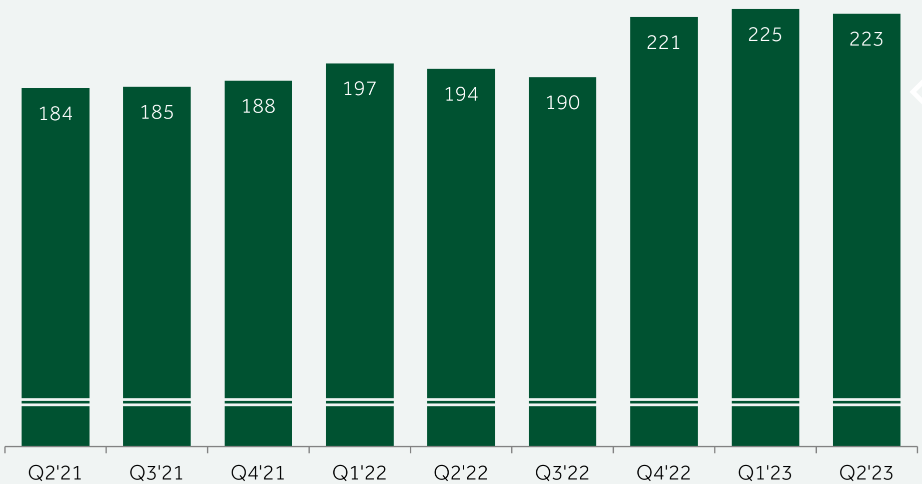
Common equity tier 1 ratio and risk exposure amount (%/DKKbn)

16.1%

CET1 ratio

15%-17% target range

12.7% requirement



-1% q/q

Risk exposure amount

Lower market risk

172%

Liquidity coverage ratio

NSFR: 133%

- **16.1% CET1 ratio up 0.7pp q/q** and within 15%-17% target range.
- Endeavours to **recommence capital distribution** in H2 2023.
- The CET1 ratio **impact from upcoming regulation** (incl. Basel IV) is included in the current capital targets. After implementation, capital targets will be reconsidered and expectedly lowered.
- **The liquidity position** remains strong with a liquidity coverage ratio of 172% and net stable funding ratio of 133%.
- **Loan/deposit ratio** of 0.79 excl. mortgage loans, which are funded by covered bonds with 1:1 matching terms.
- **S&P issuer rating upgraded** to A+ from A in July 2023.
- **Funding plan:** Potential issuance of AT1 capital to be based on capital position and market development.

Volumes

Q2 2023

Mostly stable business volumes in Q2 2023

JYSKE BANK

Business volumes (index / DKKbn)

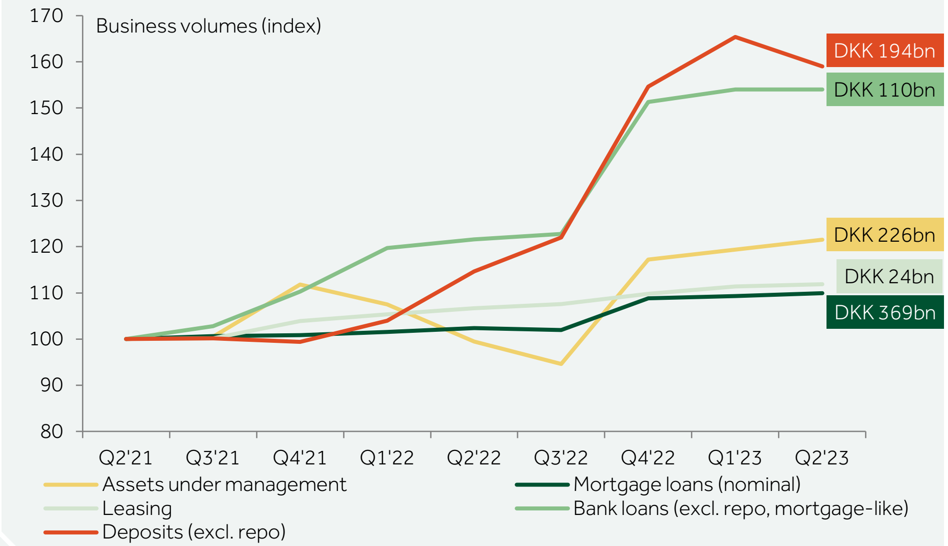
+1% q/q
Mortgage loans (nom.)
+7% y/y

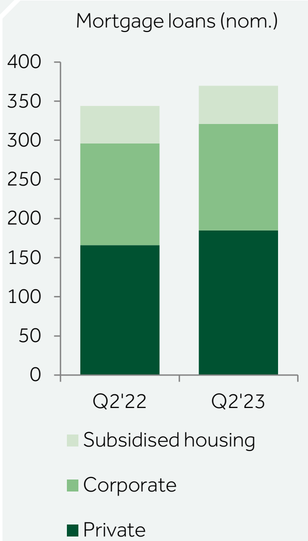
0% q/q
Bank loans ex. mtg.-like
+27% y/y

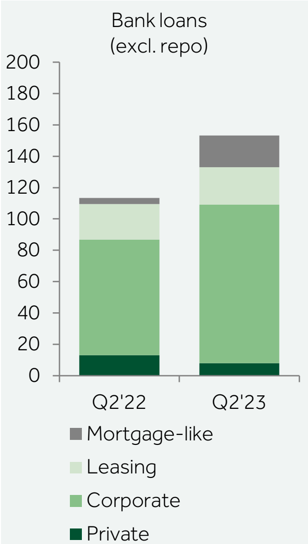
0% q/q
Leasing
+5% y/y

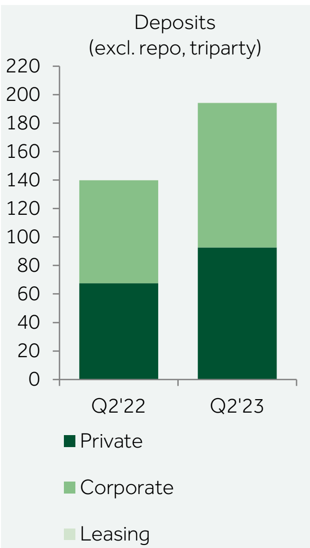
-4% q/q
Deposits
39% y/y

+2% q/q
Assets under mgmt.
+22% y/y







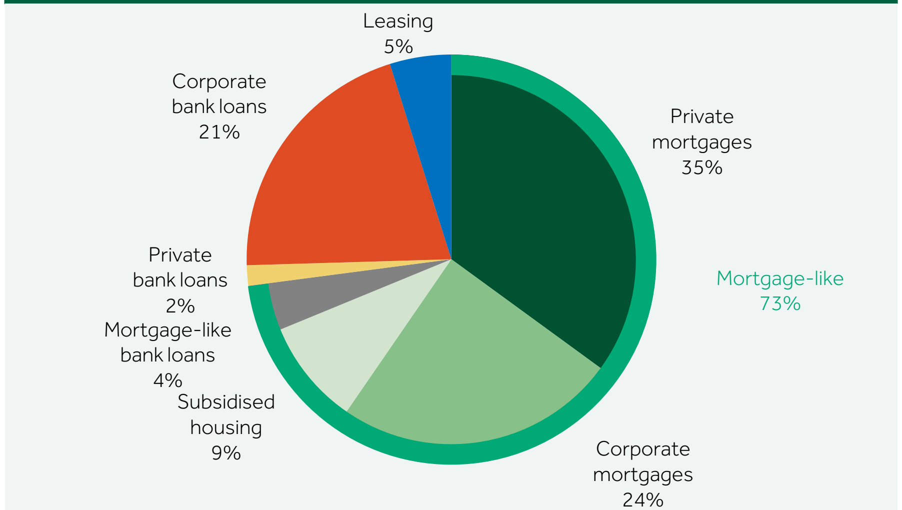


- **Mortgage loans (nominal):** +1% q/q, as higher corporate lending more than offset lower private lending.
- **Bank loans (excl. mortgage-like):** Unchanged q/q, as higher corporate lending was counteracted by lower private lending.
- **Leasing:** Close to unchanged q/q in most segments.
- **Deposits:** -4% q/q caused by particularly corporate clients following strong growth in short-term time deposits Q1.
- **Assets under management:** +2% q/q amid a positive development in financial markets.

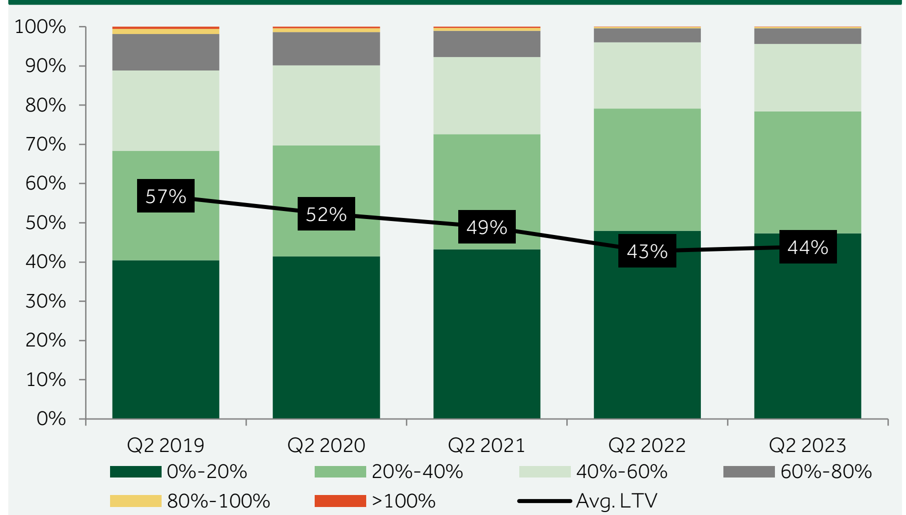
Note: Lending and deposits figures are exclusive of repo. Mortgage-like bank loans are gradually transferred to mortgage lending.

Lending characterised by high mortgage share with low LTV

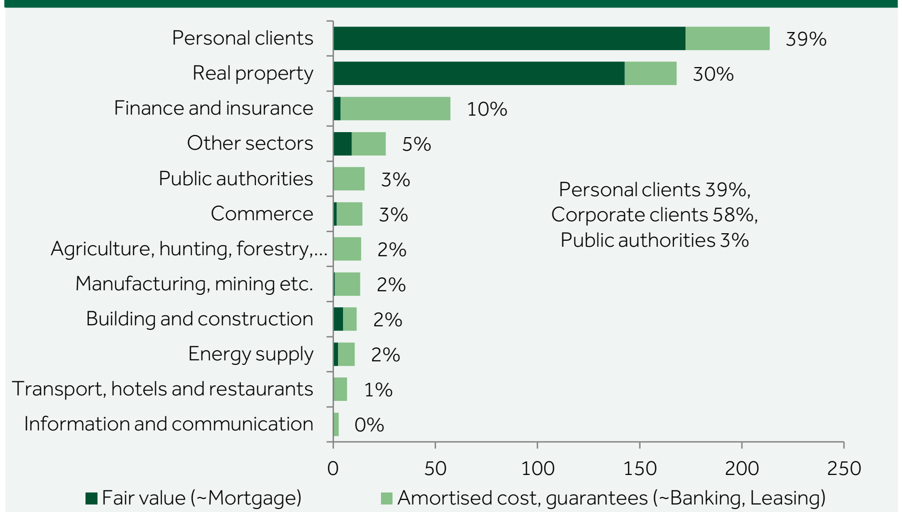
Split of lending volumes (excl. repo)



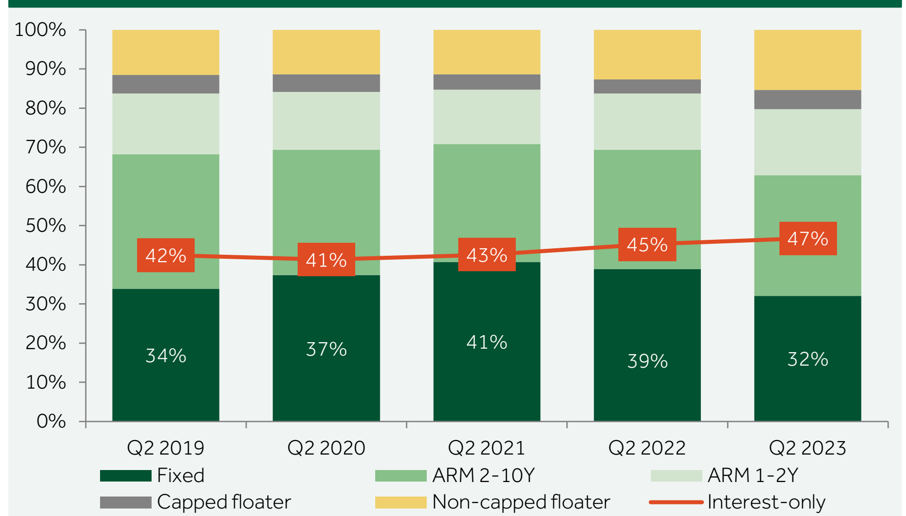
Mortgage lending with low loan-to-value



Loans, advances and guarantees by sector (DKKbn)



Product split of mortgage lending

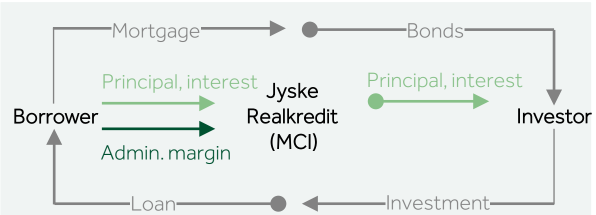


High mortgage lending share underpins stability and growth

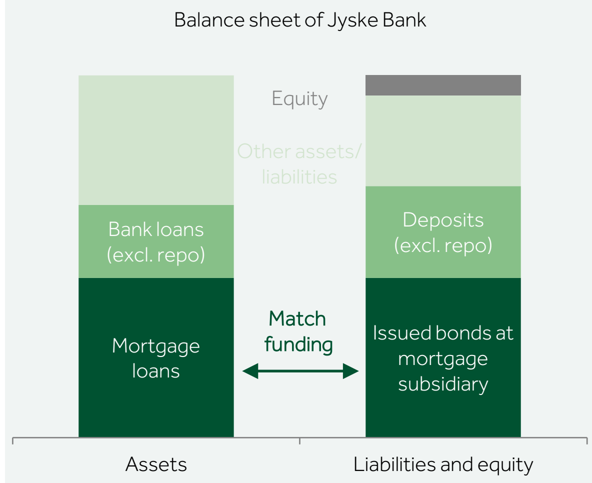
The Danish mortgage model

Based on a balance principle with no defaulting mortgage credit institutes (MCI's) since its inception in 1797.

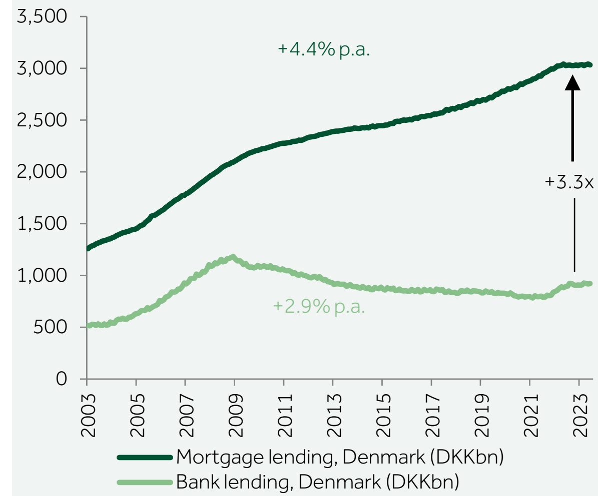
- MCI's **fund loans by issuing covered bonds with 1:1 matching terms**, thus transferring interest rate, currency, liquidity, prepayment risk to investors.
- **Borrowers can prepay loans/remortgage by buying the bonds**, which are traded in a transparent and highly liquid market of AAA-rated covered bonds.
- In addition to the principal and interest paid to the investor, the borrower pays an **administration margin as well as transaction-based fees to the MCI.**
- The **MCI, in return, guarantees payments from the borrower**, who is subject to a thorough credit assessment with a strict 60%-80% loan-to-value limit.



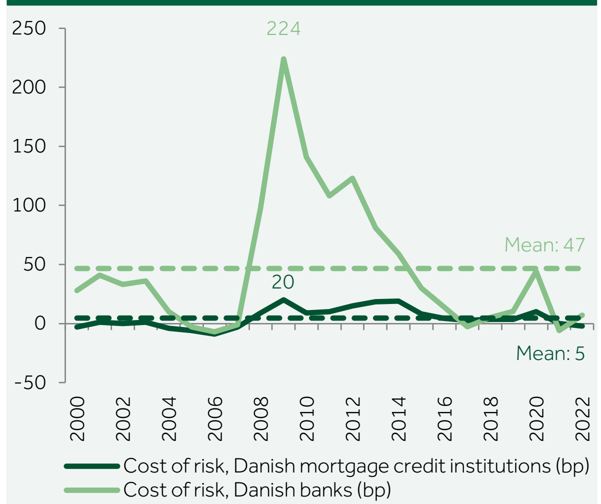
Balance principle limits funding risks



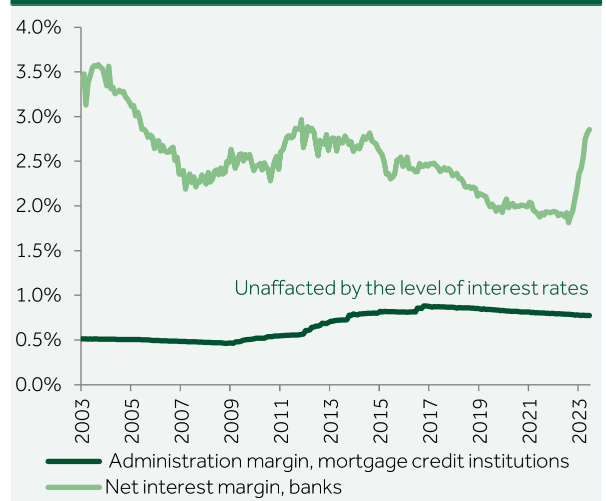
High and resilient growth of mortgages



Very low cost of risk for mortgages



Mortgage margin stabilises income



Source: The Danish FSA, Nationalbanken and Finance Denmark. Note: For further information on the Danish mortgage model, please see Finance Denmark.

Sustainability

Sustainable business and responsible banking operations

Approach and ambitions

Ingrained in identity

"We run a sustainable and responsible business"

First statement in Jyske Bank's Identity

Supporting a wide range of sustainability-related principles, alliances, targets and initiatives

Focus on financed emissions

Share of CO_2 emissions

0.03%
Scope 1
Company cars, local heating

0.08%
Scope 2
Electricity, district heating

99.89%
Scope 3
Financing, investing, etc.

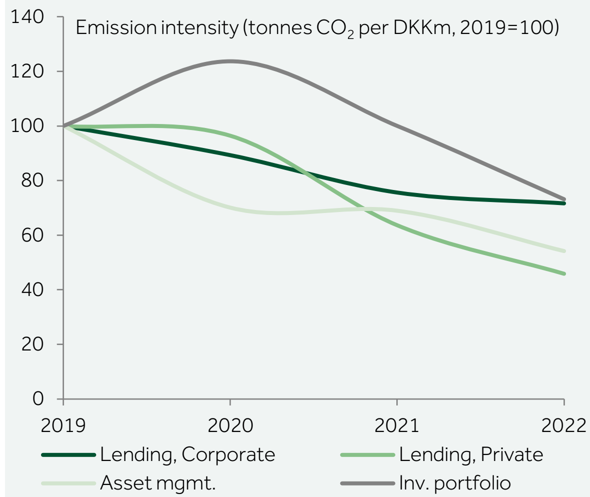
ESG ambitions

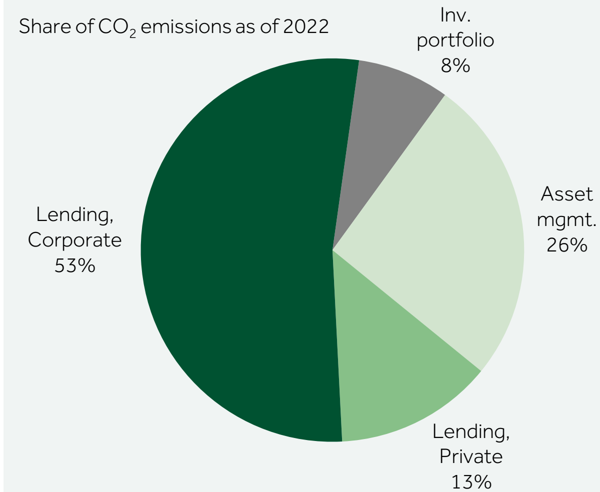
Net zero emissions and green financing
Environmental

Engaged and competent employees
Social

Responsible operations
Governance

Intensity of financed/invested emissions reduced by 39% since 2019





Targeting net zero emissions by 2050

Lending

1.3 million tonnes CO_2
Emissions in 2022
-22% vs. 2019

Targets for emission intensity reduction

From 2020 to 2030

Owner-occupied property	65%
Office, commercial property	50%
Agriculture	≥40%
Electricity and heating	30%
Road transport (vs. 2019)	≥15%

Targets for growth in green finance

From 2019 to 2025

Renewable energy Equivalent to 5 TWh (2022: 3.6 TWh)	+150%
Low-energy commercial property Equivalent to DKK 50bn (2022: DKK 47bn)	+43%
Low-emission share of vehicles, etc. 2022: 18% of financed vehicles, op. equipment	30%

Investments

0.6 million tonnes CO_2
Emissions in 2022
-42% vs. 2019

Targets for emission reduction

From 2019 to 2030

Managed equity investments 2022: -46% vs. 2019	75%
Danish mortgage bond investments 2022: -49% vs. 2019	40%

Own operations

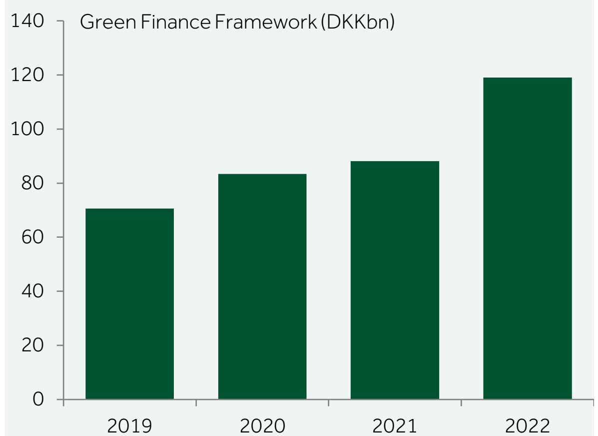
0.02 million tonnes CO_2
Emissions in 2022
-19% vs. 2020

Target for emission reduction

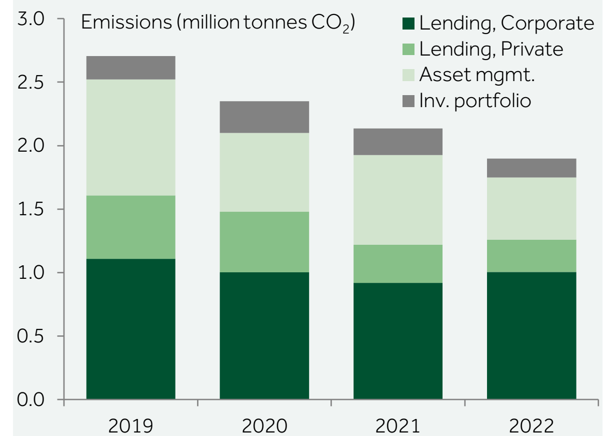
From 2020 to 2030

Scope 1 and scope 2 Offset by renewable energy production since 2021	65%

Targeting growth in green finance



Emissions reduced 30% vs. 2019



Jyske Bank

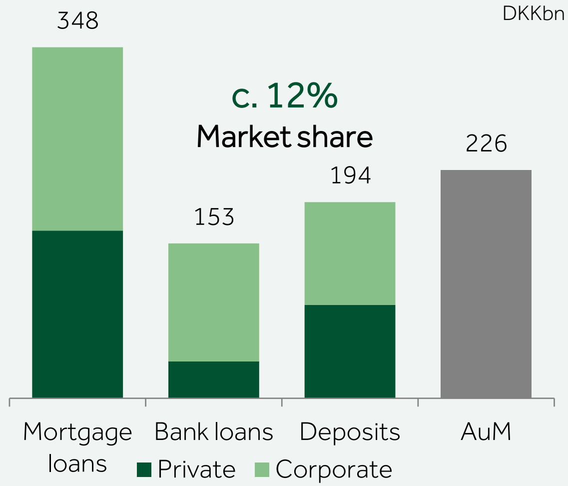
In brief

One of the largest financial institutions in Denmark

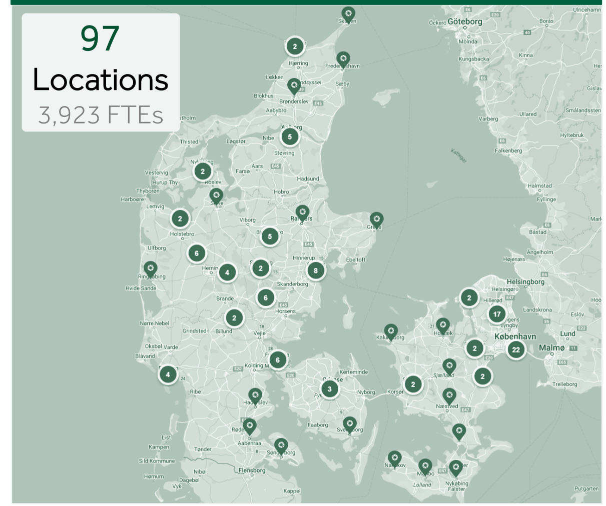
Founded in 1967, now a Danish SIFI

- 1967 **Founded** by merger of four banks in Silkeborg
- 1989 **Seven acquisitions** in 1970s and 1980s
- 2011 **SN Leasing, Easyfleet, Fjordbank Mors** acquired
- 2013 Acquisition of **Sparekassen Lolland**
- 2014 Acquisition of **Jyske Realkredit** from BRFfonden
- 2022 Acquisition of **Handelsbanken Denmark**
- 2023 Acquisition of **PFA Bank**

Focused on structural, low-risk growth



Leading presence in AAA economy



Strong operating performance

Last four quarters

DKK 4.5bn
Net profit

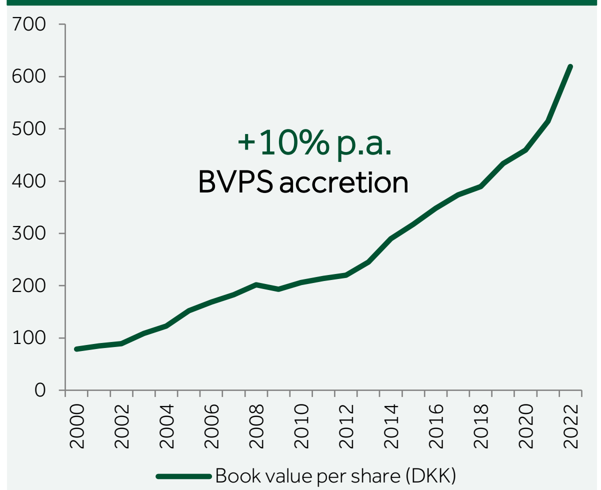
11.7%
Return on equity

50%
Cost/income

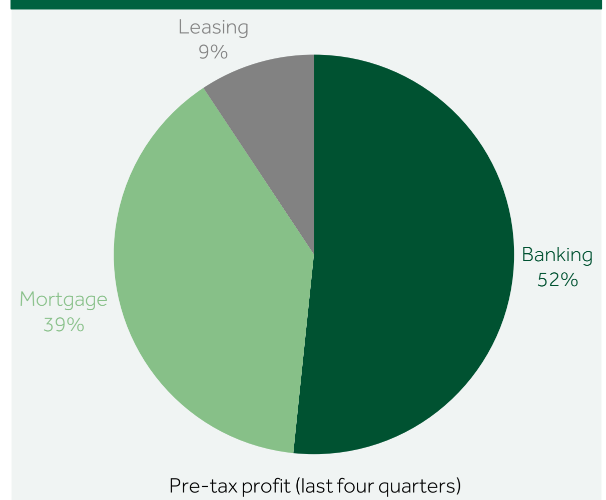
A+/Stable/A-1
S&P issuer credit rating

AA
MSCI ESG rating

Solid book value per share accretion

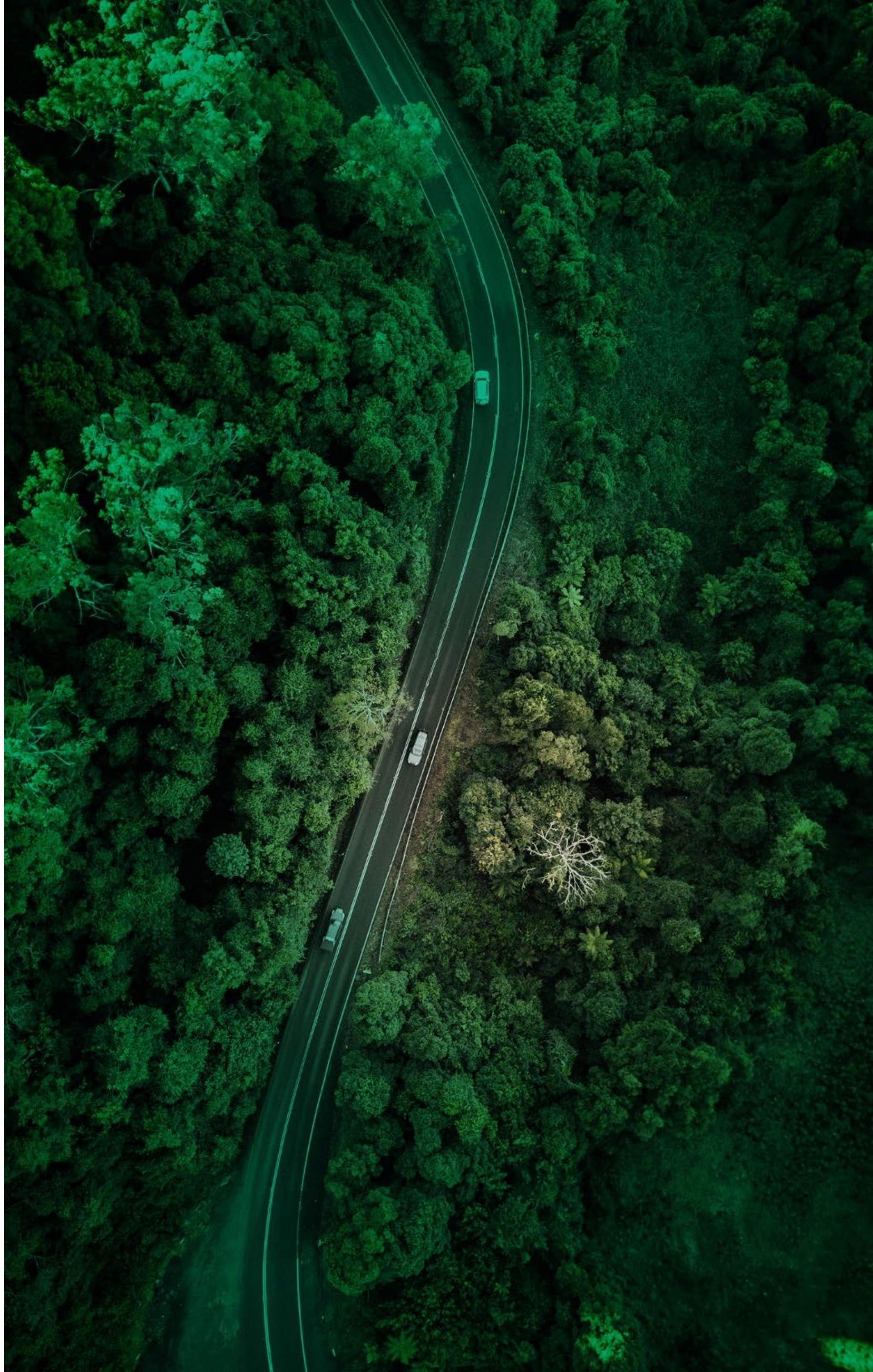


Complementary, full-service offering



Note: Nominal mortgage loans, bank loans/deposits excl. repo. Market share based on lending. Key metrics based on last four quarters or as of the end of last quarter.

Macroeconomics

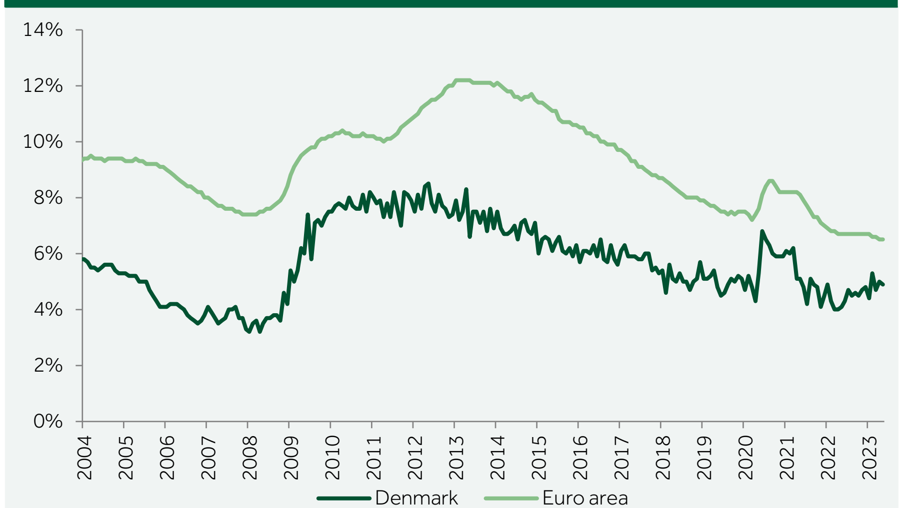


Macroeconomics

Real gross domestic product (2010=100)

Inflation rate (HICP, y/y)

Unemployment rate

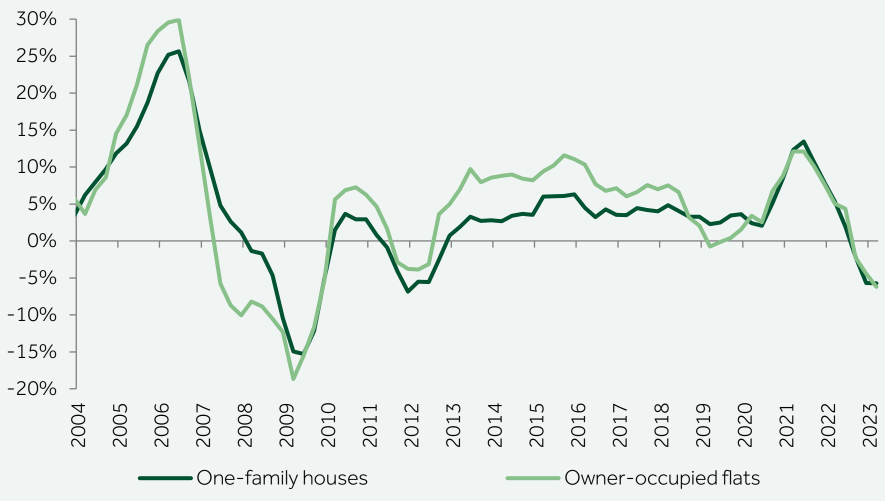


Interest rates, Denmark (monthly averages)

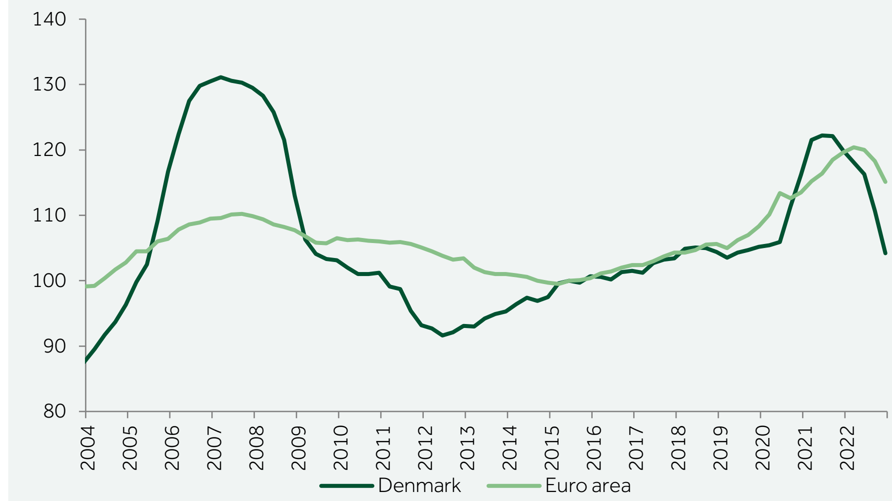
Source: Eurostat.

Macroeconomics

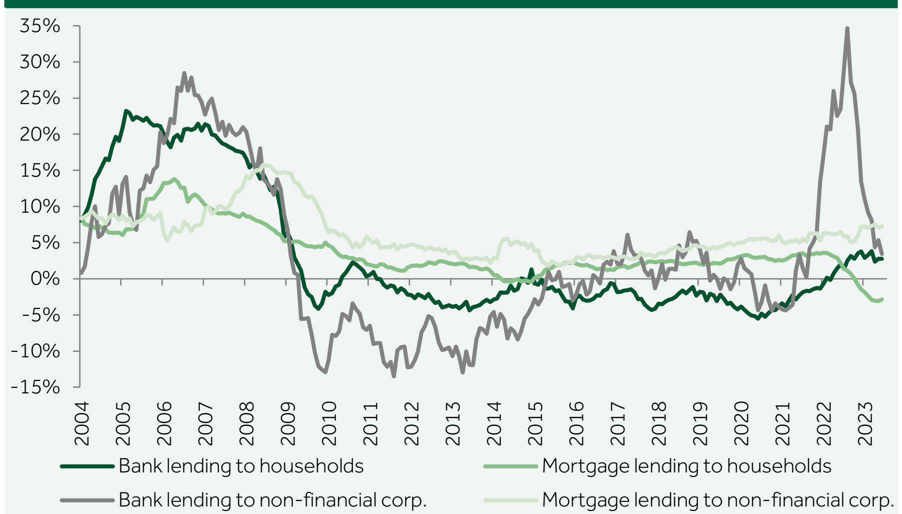
Real estate prices, Denmark (y/y)



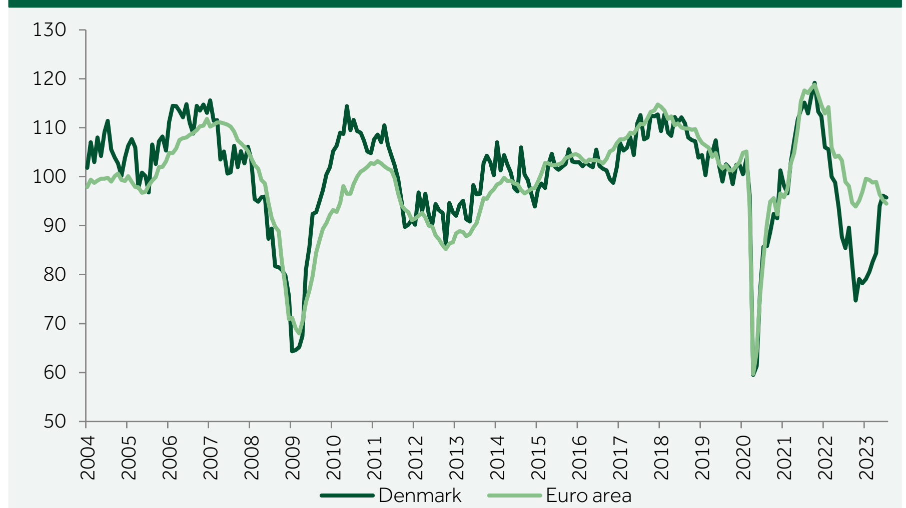
House prices to disposable income (2015=100)



Lending growth, Denmark (y/y)



Economic Sentiment Indicator



Sources: Statistics Denmark, OECD, Eurostat.

Forecast

Danish economy	DKKbn 2022	Real growth (%) 2020	2021	2022	2023E	2024E
Consumer spending	1,198	-1.4	4.2	-2.3	-0.4	0.7
Public spending	615	-1.4	4.2	-3.5	0.5	2.2
Fixed gross investment	652	5.1	6.2	8.6	-7.7	-1.3
Inventory investment*	36	-0.2	0.0	0.8	-0.5	0.0
Exports	1,939	-6.3	8.0	8.6	3.8	-0.9
Imports	1,642	-3.6	8.0	4.2	-0.9	-0.1
Gross domestic product (GDP)	**2,798**	**-2.0**	**4.9**	**3.8**	**0.8**	**-0.1**
Balance of payments						
- DKKbn		187	224	368	300	300
- percentage of GDP		8.1	8.9	13.1	10.7	10.4
Public budget balance						
- DKKbn		5	91	93	60	10
- percentage of GDP		0.2	3.6	3.3	2.1	0.3
Unemployment						
- Gross unemployment, average (thousands)		133	106	76	85	104
- Percentage of workforce		4.3	3.4	2.3	2.6	3.2
Employment, avg. (thousands)		**2,973**	**3,046**	**3,164**	**3,191**	**3,158**
Inflation (%)		**0.4**	**1.9**	**7.7**	**4.3**	**2.4**
Wage index (Private, %)		**2.3**	**3.0**	**3.6**	**3.8**	**4.4**
House prices (nominal prices, %)		**4.5**	**11.0**	**-0.1**	**-9.5**	**-2.9**
Danmarks Nationalbank's lending rate, year-end (%)		**0.05**	**-0.45**	**1.80**	**3.50**	**2.75**
Danmarks Nationalbank's CD rate, year-end (%)		**-0.60**	**-0.60**	**1.65**	**3.35**	**2.60**

* Contribution to growth as a percentage of the preceding year's GDP. Sources: Statistics Denmark, Jyske Bank as of 9 June 2023.

Financial calendar 2023

28 Feb.	Announcement of the 2022 results
28 Feb.	Annual report 2022
28 Feb.	Risk Management Report 2022
30 Mar.	Annual General Meeting
2 May	Interim report for the first quarter of 2023
15 Aug.	Interim report for the first half of 2023
31 Oct.	Interim report for the first nine months of 2023

Trine Lysholt Nørgaard

Director, Investor Relations & Group Sustainability

Phone: +45 89 89 64 29
Mobile: +45 21 58 25 15
E-mail: trine.norgaard@jyskebank.dk

Simon Hagbart Falk

Head of Investor Relations (Equity IR)

Phone: +45 89 89 71 85
Mobile: +45 24 44 83 70
E-mail: simonhagbart@jyskebank.dk

JYSKE BANK

Disclaimer

This presentation and the information contained therein is furnished and has been prepared solely for information purposes by Jyske Bank A/S. It is furnished for your private information with the express understanding, which recipient acknowledges, that it is not an offer, recommendation or solicitation to buy, hold or sell, or a means by which any security may be offered or sold.

The information contained and presented in this presentation, other than the information emanating from and relating to Jyske Bank A/S itself, has been obtained by Jyske Bank A/S from sources believed to be reliable. Jyske Bank A/S can not verify such information, however, and because of the possibility of human or mechanical error by our sources, Jyske Bank A/S or others, no representation is made that such information contained herein is accurate in all material respects or complete. Jyske Bank A/S does not accept any liability for the accuracy, up-to-dateness, adequacy, or completeness of any such information and is not responsible for any errors or omissions or the result obtained from the use of such information. The statements contained herein are statements of our non-binding opinion, not statement of fact or recommendations to buy, hold or sell any securities. Changes to assumptions may have a material impact on any performance detailed. Historic information on performance is not indicative of future performance. Jyske Bank A/S may have issued, and may in the future issue, other presentations or information that are inconsistent with, and reach different conclusions from, the information presented herein. Those presentations or the information reflect the different assumptions, views and analytical methods of the analysts who prepared them and Jyske Bank A/S is under no obligation to ensure that such other presentations or information are brought to the attention of any recipient of the information contained herein.

Nothing in this presentation constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. This presentation is intended only for and directed to persons sufficiently expert to understand the risks involved, namely market professionals. This publication does not replace personal consultancy. Prior to taking any investment decision you should contact your independent investment adviser, your legal or tax adviser, or any other specialist for further and more up-to–date information on specific investment opportunities and for individual investment advice and in order to confirm that the transaction complies with your objectives and constraints, regarding the appropriateness of investing in any securities or investment strategies discussed herein.

Jyske Bank A/S or its affiliates (and their directors, officers or employees) may have effected or may effect transactions for its own account (buy or sell or have a long or short position) in any investment outlined herein or any investment related to such an investment. Jyske Bank A/S or its affiliates may also have investment banking or other commercial relationship with the issuer of any security mentioned herein. Please note that Jyske Bank A/S or an associated enterprise of Jyske Bank A/S may have been a member of a syndicate of banks, which has underwritten the most recent offering of securities of any company mentioned herein in the last five years. Jyske Bank A/S or an associated enterprise may also have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned herein or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Any particular security or investment referred to in this presentation may involve a high degree of risk, which may include principal, interest rate, index, currency, credit, political, liquidity, time value, commodity and market risk and is not suitable for all investors. Any securities may experience sudden and large falls in their value causing losses equal to the original investment when that investment is realized. Any transaction entered into is in reliance only upon your judgment as to both financial, suitability and risk criteria. Jyske Bank A/S does not hold itself out to be an advisor in these circumstances, nor does any of its staff have the authority to do so.